

CITY OF NEENAH

SMALL BUSINESS LOAN PROGRAM

The Small Business Loan Program provides low cost, fixed rate financing to small, growing companies that are creating new jobs in Neenah.

Qualified borrowers may obtain loans to finance a portion of the cost of fixed asset projects. Funds are issued by the City of Neenah, as a companion loan to conventional financing from the private sector lender.

Eligible Businesses

- For-profit corporation, partnership, or proprietorship.
- Located in the City of Neenah.
- Net worth less than \$6 million, after-tax profit less than \$2 million.
- The borrower must commit to create as least one (1) permanent full-time-equivalent job for every \$10,000 of City funds loaned to the project.

Eligible Projects

Loan proceeds may be used to finance the following fixed asset investments:

- Land and building acquisition.
- New building construction and additions.
- Machinery and equipment purchase.
- Building renovation, with City loan limited to code corrections and façade improvements.

Terms and Rates

The Small Business Loan can finance up to 30% of a project's total debt, up to \$50,000. At least 70% of the project loan must be financed by a private sector lender.

Loan terms are a maximum 20 years on real estate, and 10 years on machinery and equipment. Collateral is secured in the asset being financed.

Interest rates are below market, based on U.S. Treasury Note yields.

The loan carries no prepayment penalty.

NOTE: Rates and terms on the private sector portion of the total loan are subject to the requirements of the participating lender.

Program Goals

The City of Neenah seeks projects that produce the greatest community impact. The following factors are considered in reviewing loan proposals:

- The need for assistance to make the project feasible.
- The number of new jobs to be created by the project.
- The commitment of a private sector lender to participate in the project.
- The overall contribution the project will make toward the community's economic growth and well-being.

How to Apply

- Contact the City of Neenah to discuss your project and financing needs. Submit a loan application for consideration.
- Contact your lender and obtain a commitment to fund the project.
- If your loan request is approved, the City issues a subordinated loan in cooperation with financing from your lender. Closing fees on the City loan are limited to direct, out-of-pocket costs incurred.
- Payments on the Small Business Loan are made directly to the City of Neenah.

For more information contact:

Director of Community Development/Assessment
City of Neenah
211 Walnut Street
Neenah WI 54956
(920) 886-6125

NOTE: This loan program is made possible through a grant received from the U.S. Department of Housing and Urban Development. Compliance with certain federal regulations and restrictions may be required.